



Providing quality water, power and service at a competitive price that our customers value

July 31, 2008
VIA ELECTRONIC FILING

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Snohomish County PUD No. 1 Tidal Energy Project Progress Report #3

- Deception Pass Tidal Energy Project (P-12687)
- Rich Passage Tidal Energy Project (P-12688)
- Spieden Channel Tidal Energy Project (P-12689)
- Admiralty Inlet Tidal Energy Project (P-12690)
- Agate Passage Tidal Energy Project (P-12691)
- Sun Juan Channel Tidal Energy Project (P-12692)
- Guemes Channel Tidal Energy Project (P-12698)

Dear Ms. Bose:

On February 22, 2007 Public Utility District No. 1 of Snohomish County, Washington ("Snohomish") was issued preliminary permits for five tidal energy projects proposed in and around Puget Sound in the State of Washington: Rich Passage, P-12688; Spieden Channel, P-12689; Agate Passage, P-12691; San Juan Channel, P-12692; and Guemes Channel, P-12698. On March 1, 2007 and March 9, 2007 Snohomish was issued preliminary permits for the Deception Pass, P-12687, and Admiralty Inlet, P-12690, sites respectively.

Per the FERC "strict scrutiny" requirements, Snohomish submitted its Schedule of Activities for all seven sites on April 13, 2007 and its first two six-month Project Progress Reports on July 31, 2007 and January 31, 2008.

During the period covered by this report a series of meetings and other communications were conducted between Snohomish and FERC staff regarding Snohomish's request for additional time to submit draft license applications for the Snohomish projects. On June 24, 2008 FERC granted Snohomish's request.

PROJECT ACTIVITY

Consultation and Outreach

During the past six month period Snohomish has maintained or initiated contact with federal, state, and local agencies and governments, tribal representatives, and other interested stakeholders. In addition to informal email and telephone exchanges, these contacts have included:

- Conducted numerous project overview presentations with a number of local community and service groups
- Participated, and provided a project update, at the Sound Waters 2008 environmental conference in Coupeville, Washington on February 2, 2008
- Conducted a Tidal Energy overview and project update to Washington State legislators in Olympia, Washington on February 14, 2008
- Provided a tidal energy project overview and study update at the Washington State University/Skagit County lecture series in Anacortes, Washington on February 15, 2008
- Provided a tidal energy project overview and study update at the Pacific Seabird Conference in Blaine, Washington on February 29, 2008
- Provided a tidal energy project overview and study update at the American Fisheries Society annual conference in Bellingham, Washington on March 5, 2008
- Provided a tidal energy project overview and study update at the Bonneville Power Administration/National Renewable Energy Lab conference in Seattle, Washington on April 2-3, 2008
- Provided a tidal energy project overview and study update at the National Hydropower Association conference in Washington DC on April 14, 2008
- Provided a tidal energy project overview and study update for the Anacortes City Council in Anacortes, Washington on April 28, 2008
- Provided a tidal energy project overview and study update for the Whidbey Island/Washington State University Beach Watchers training session in Coupeville, Washington on April 28, 2008
- Provided a tidal energy project overview for former Vice-President Al Gore at Vice-President Gore's climate change *Solutions Summit* in New York, New York on May 1, 2008
- Moderated a new hydro technologies panel session at Hydrovision in Sacramento on July 18, 2008
- Provided a tidal energy project overview at the Pacific Northwest Economic Region Forum in Vancouver, B.C. on July 22, 2008
- Review of formal and informal feedback from various stakeholders on the District's PreApplication Document

Project Studies and Site Investigation

On January 19, 2007, Snohomish submitted a Technical Proposal in response to a Bonneville Power Administration (BPA) request for proposals for funding support for tidal energy exploration. The Snohomish Proposal was ultimately chosen by BPA to receive a funding grant of approximately \$220,000. Snohomish established partnerships with the University of

Page 3 of 3
7/31/2008

Washington and the Electric Power Research Institute (EPRI) to execute its tidal energy studies in 2007 which are described in this report.

On May 22, 2007 Snohomish submitted a second Technical Proposal for 2008 BPA fiscal year funding to support ongoing tidal project studies. The Snohomish proposal was again selected by BPA for funding and a second grant of approximately \$263,000 was awarded to Snohomish.

On June 13, 2008 Snohomish submitted a project proposal to the U.S. Department of Energy's Advanced Water Power Projects program. Snohomish's project partners for this effort include EPRI, the University of Washington, Devine Tarbell and Associates, the National Renewable Energy Laboratory, and Pacific Northwest National Lab.

During the past six month period the following study-related work has been conducted:

- Preliminary commercial and pilot tidal energy plant designs and economic analyses were updated for the Admiralty Inlet site using new acoustic Doppler data and information related to two new open rotor device designs. This same design and analysis effort is currently underway for Snohomish's other Puget Sound sites and will be completed in 2008
- The University of Washington team continued development of a suitable tidal current modeling program to facilitate plant design/optimization and the evaluation of potential environmental effects in the Puget Sound. This represents the second phase of model development
- Snohomish established a contract with Devine Tarbell and Associates to support the permitting and environmental study activities of Snohomish's projects up to and including license application and submission
- A detailed Request for Proposals and Statements of Qualifications was developed and sent to all leading tidal in-stream energy device developers worldwide on June 6, 2008. This begins the formal process by which Snohomish will select the most appropriate tidal energy technologies for its project sites. Snohomish anticipates making these selections prior to the end of 2008
- Dialogue was begun with the U.S. Navy and Verdant Power to discuss the Navy's project in association with Verdant to demonstrate tidal energy technology in the Puget Sound. The Navy and Verdant Power are considering conducting this project within the boundaries of the preliminary permits held by Snohomish.

Please contact me if you have any questions regarding this report, or if you require any additional information on the status of the Snohomish Tidal Energy projects.

Sincerely,



Craig W. Collar
Senior Manager, Energy Resource Development
Snohomish County PUD No. 1

CERTIFICATE OF SERVICE

I hereby certify that I have this day served via e-mail or via the U.S. Postal Service a copy of the foregoing filing upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with Rule 2010 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission.

Dated at Everett, Washington, this 31st day of July, 2008.

A handwritten signature in cursive script, appearing to read "Ray Finnen", is written over a horizontal line.

Ray Finnen
Senior Paralegal
Public Utility District No. 1 of Snohomish County
PO Box 1107
Everett, WA 98206-1107
Phone: 425.783.8262
Dept Fax: 425.783.8305
E-mail: rffinnen@snopud.com

Service List for Tidal Energy Project Nos. P-12687, P-12688, P-12689, P-12690, P-12691, P-12692, and P-12698:

A. Reid Allison, Tribal Attorney
Tulalip Tribes of Washington
6700 Totem Beach Road
Tulalip, WA 98271

Joseph Brogan, Attorney at Law
Foster Pepper & Shefelman
1111- 3rd Ave, Ste. 3400
Seattle, WA 98101

Scott J. Carlon
National Marine Fisheries Service
1201 NE Lloyd Blvd. Suite 1100
Portland, OR97232

Richard Civile, Legislative Chairman
PO 2024
Friday Harbor, WA 98250

Elizabeth Ellis, Planner
WA State Dept. of Natural Resources
1111 Washington ST SE
PO Box 47027
Olympia, WA 98513

Steve Erickson
Whidbey Environmental Action Network
PO Box 53
Langley, WA 98260

Brian Faller, Asst Attorney General
Office of the Attorney General
PO Box 40117
Olympia, WA 98504-0117

Michael Ferguson, Asst Attorney General
Office of the Attorney General
1125 Washington Street SE
PO Box 40100
Olympia, WA 98504

Christopher Fontecchio
National Oceanic and Atmospheric Admin.
7600 Sand Point Way NE
Seattle, WA 98115

William Frymire, Senior Counsel
Office of the Attorney General
PO Box 40100
Olympia, WA 98501

Jane S Hannuksela, ESQ
NOAA/ NMFS
NOAA GCNW, Bldg. 1
7600 Sand Point Way, N.E.
Seattle, WA 98115

David Hawkins, Tribal Attorney
25944 Community Plaza Way
Sedro-Woolley, WA98284

Alice Kelly
WA State Department of Ecology
3190 160th Ave SE
Bellevue, WA 98008

Leehwa Kim, Paralegal
Morisset, Schlosser, Ayer, & Jozwiak
1115 Norton Bldg. 801 Second Ave
Seattle, WA 98104

Keith Kirkendall
National Oceanic & Atmospheric Administration
1201 NE Lloyd Blvd Suite 1100
Portland, OR 97232

Karolyn Klohe, Asst Attorney General
Office of the Attorney General
Post Office Box 40100
1125 Washington Street SE
Olympia, WA 98504-0100

Mark Lyon, Asst Attorney General
Office of the Attorney General
PO Box 40113
Olympia, WA 98504-0113

Joan Marchioro, Senior Counsel
Office of Attorney General
P.O. Box 40117
Olympia, WA 98504

Jonathan Olds
Environmental Program Manager
Washington Dept. of Transportation
2901 3rd Avenue Suite 500
Seattle, WA 98121-1012

Terry Pruit, Asst Attorney General
1125 Washington St. SE
PO BOX 40100
Olympia, WA 98504

Gary R. Sprague
Major Projects Section Manager
Office of the Attorney General
Habitat Program
600 Capitol Way N
Olympia, WA 98501-1091

Amy Trainer
PO Box 1344
Friday Harbor, WA 98250

Lisa Tryon, Legal Assistant
Washington Dept. of Transportation
P.O. Box 40113
Olympia, WA 98504

Stan Walsh, Hydropower Biologist
Skagit System Cooperative
5318 Chief Brown Lane
Darrington, WA 98241

Daryl Brent Williams
Environmental Liaison
Tulalip Tribes of Washington
7411 Tulalip Bay Dr.
Tulalip, WA 98271

Document Content(s)

20080731 Tidal Energy Progress Report #3.PDF.....1-5